CHAPTER 86

[MEDICAL DAY CARE SERVICES]

ADULT AND PEDIATRIC DAY HEALTH SERVICES

8:86-1.1 Purpose and scope

(a) The [Medical Day Care] **Adult and Pediatric Day Health Services** Program is concerned with the fulfillment of the health needs of [Medicaid recipients and/or those who are served under the Division's Home Care Expansion Program and] **eligible individuals** who could benefit from a health services alternative to total institutionalization. [Medical day care] **Adult and Pediatric Day Health Services** is a program [of medically supervised, health related services provided] **that provides medically necessary services** in an ambulatory care setting to [persons] **individuals** who are nonresidents of the facility, and who, due to their physical and/or [mental] **cognitive** impairment, [need health maintenance and restorative] **require such** services supportive to their community living. Pediatric [medical] day [care] **health** services are available only for technology-dependent and/or medically unstable children who require continuous, rather than part-time or intermittent, care of a licensed

practical or registered professional nurse in a developmentally appropriate environment.

(b) In order to be eligible for services through the [Medical Day Care] **Adult and Pediatric Day Health Services** Program, an individual must [be] **have been determined** to be eligible for one of the following: community Medicaid, New Jersey Care … Special Medicaid Programs (including the medically needy segment), [certain home care programs including] **NJ FamilyCare - Plan A, fee-for-service, the** Community Care Program for the Elderly and Disabled [(CCPED)], **the Caregiver Assistance Program, the Adult Family Care program,** Model Waivers, the AIDS Community Care Alternatives Program [(ACCAP)], the Traumatic Brain Injury Program, or the ABC Program for medically fragile children. [Persons] **Individuals** enrolled in the Home Care Expansion Program **[(HCEP)] or the Jersey Assistance for Community Caregiving Program [(JACC)]** are likewise eligible for [medical day care] **adult and pediatric day health** services. **In addition to being financially eligible, an adult or pediatric day health services beneficiary must satisfy the clinical eligibility requirements at N.J.A.C. 8:86-1.5.**

8:86-1.2 Definitions

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

["Administration--medical day care center" means an identifiable administrative unit within the medical day care center headed by a Director/Administrator, responsible for the overall conduct of all day care program activities.]

"ACCAP" means the AIDS Community Care Alternatives Program created pursuant to the Omnibus Budget Reconciliation Act of 1981.

"ADL" means activities of daily living.

"Adult or pediatric day health services beneficiary" or "beneficiary" means an individual who is a Medicaid beneficiary, pursuant to N.J.A.C. 10:49, a HCEP ` participant, pursuant to N.J.A.C. 8:81, or a participant in the JACC Program , who is eligible for adult or pediatric day health services pursuant to N.J.A.C. 8:86-1.5. An adult beneficiary is at least 18 years of age. A pediatric beneficiary is from birth through five years of age.

"Adult or pediatric day health services facility" means an identifiable part of a nursing facility, or a hospital affiliated facility, or a freestanding

ambulatory care facility, or such other facility that is licensed by the Department in accordance with its Standards for Licensure of Adult and Pediatric Day Health Services Facilities, N.J.A.C. 8:43F, and that possesses a valid and current provider agreement from the Department.

"Advanced practice nurse" means an individual so certified by the New Jersey State Board of Nursing in accordance with N.J.S.A. 45:11-23 et seq.

"AFC" means the Adult Family Care program created pursuant to the Omnibus Budget Reconciliation Act of 1981.

"CAP" means the Caregiver Assistance Program, a Medicaid Home and Community Based Program under the Enhanced Community Options waiver, pursuant to N.J.A.C. 10:60-10.2.

["Division" means the Division of Medical Assistance and Health Services within the New Jersey Department of Human Services.

"Medicaid District Office" means one of the Division's county-based offices located throughout the State administering the New Jersey Medicaid Program. See MDO Directory at the end of N.J.A.C. 10:49, Administration.]

“Department” means the State of New Jersey Department of Health and Senior Services.

“HCEP” means the Home Care Expansion Program established pursuant to N.J.S.A. 30:4E-6.

“HIV adult day health services facility” means an adult day health services facility which provides additional services to individuals with HIV infection in an identifiable and separate setting and which is licensed pursuant to N.J.A.C. 8:43A.

“JACC” means the Jersey Assistance for Community Caregiving Program, an ElderCare Initiative pursuant to the Sate of New Jersey Appropriations Act.

"Legally authorized representative" means a person or entity that is legally empowered by law, judicial order, power of attorney, or otherwise to make decisions on behalf of the beneficiary.

"Licensed practical nurse (LPN)” means an individual who is so licensed by the New Jersey State Board of Nursing, pursuant to N.J.S.A. 45:11-27.

“Limited assistance” means physical help in maneuvering of limbs or other non-weight-bearing assistance at least three times during the past three days.

“Medicaid beneficiary” means an individual who participates in the program for medical assistance, including Medicaid Waiver programs, authorized under Title XIX or Title XXI of the Social Security Act and administered jointly by the New Jersey Department of Health and Senior Services and the New Jersey Department of Human Services.

[“Medical day care center” means an identifiable part of a nursing facility, or a hospital affiliated facility, or a free-standing ambulatory care facility, or such other facility which is licensed by the New Jersey State Department of Health and Senior Services in accordance with its Manual for Standards for Licensure of Adult Day Health Care Facilities, N.J.A.C. 8:43F-2, which possesses a valid and current provider agreement from the Division and which provides services as described at N.J.A.C. 8:86-1.4.

1. “Pediatric medical day care center” means a medical day care center which additionally conforms to N.J.A.C. 10:122 (Department of Human Services, Division of Youth and Family Services) Manual of Requirements for Child Care Centers.

“Medical nutrition therapy” means the assessment of nutritional status and treatment, use of diet therapy, counseling and specialized nutritional supplements.

“Medication administration” means a procedure in which a prescribed medication is given to a beneficiary by an authorized person in accordance with all laws and rules governing such procedures. The complete procedure of administration includes removing an individual dose from a previously dispensed, properly labeled container (including a unit dose container), verifying it with the prescriber's orders, giving the individual dose to the beneficiary, seeing that the beneficiary takes it, and recording the required information, including the method of administration. After the prescribed medication has been given the RN shall: assess the beneficiary for the development of side effects or interactions and/or for a change in the beneficiary’s ability to maintain the medication regimen (which may include an assessment of the beneficiary’s compliance with the medication regimen, the beneficiary’s knowledge about the dose and medication taken and the side effects and interactions, and swallowing difficulties or short-term memory deficits).

[“Prior authorization” means the approval process by the Medicaid District Office prior to the provision of services. In the context of medical day care, prior

authorization shall only be used as outlined in N.J.A.C. 8:86-1.3(c)1 or upon Division discretion with new medical day care centers.]

"Pediatric day health services facility" means a facility that provides additional services in order to provide for the needs of technology dependent or medically unstable children and conforms to the rules in this chapter and to the rules at N.J.A.C. 10:122, Manual of Requirements for Child Care Centers.

"Physician assistant" means an individual so licensed by the New Jersey State Board of Medical Examiners pursuant to N.J.S.A. 45:9-27.10 et seq.

"Registered professional nurse" or "RN" means an individual who is so licensed by the New Jersey State Board of Nursing, pursuant to N.J.S.A. 45:11-26.

"Skilled services" means needed skilled services provided daily at the adult day health services facility by an RN or licensed practical nurse and shall include, but are not limited to, oxygen need, ostomy care, daily nurse monitoring (for example, medication administration, pacemaker checks, urinary output, unstable blood glucose, unstable blood pressure with physician/ advanced practice nurse intervention), skin treatment of

wounds, treatment of stasis ulcers, intravenous or intramuscular injections and nasogastric or gastrostomy tube feedings and medical nutrition therapy.

"Supervision/cueing" means oversight, encouragement, or cueing provided at least three times during the past three days, or supervision provided one or more times plus physical assistance provided no more than two times for a total of at least three episodes of assistance or supervision.

["Volunteer" means a person who gives his or her time and services regularly without remuneration.]

"Wounds" means ulcers, burns, Stage II, III and IV pressure sores, open surgical sites, fistulas, tube sites and tumor erosion sites.

8:86-1.3 Program participation **and evaluation**

(a) [A medical day care center operated by a public or private agency or organization, either proprietary or non-profit, or a subdivision of such an agency or organization,] **An adult or pediatric day health services facility** shall meet the following requirements in order to participate in the

New Jersey Medicaid [Program and the Home Care Expansion Program] **, HCEP, or JACC programs**:

1. Licensure and approval by the [New Jersey State] Department [of Health and Senior Services] in accordance with the [Manual of] Standards for Licensure of Adult **and Pediatric** Day Health [Care] **Services** Facilities of the [New Jersey State] Department [of Health and Senior Services,] **as set forth at** [(] N.J.A.C. 8:43F[-2)];

2. [Approval as a medical day care center provider by the Division. This includes, at a minimum, the completion] **Completion** of the New Jersey Medicaid Provider Application **PE-1** [FD-20] (Appendix A, incorporated herein by reference) the Participation Agreement [FD-218] **PE-5** (Appendix B, incorporated herein by reference) and a written narrative Statement on the Proposed [Medical Day Care Center] **Adult or Pediatric Day Health Services Facility** (Appendix C, incorporated herein by reference) **and approval as a Medicaid adult or pediatric day health services provider by the Department. The New Jersey Medicaid Provider Application (PE-1) and the Participation Agreement (PE-5) are also available by contacting the Medicaid Provider Enrollment Program at (609) 633-9042 and on the Worldwide Web at**

www.state.nj.us/health. Ongoing participation as a [Division] provider is contingent upon continued **licensure and** approval by the [Division of Medical Assistance and Health Services] **Department;**

i. Adult day health services facilities providing services to JACC participants shall also be approved as a JACC provider/vendor by the Department.

3. [Completion, on a quarterly basis of a Medical Day Care Participant Profile, FD-321, (Appendix E, incorporated herein by reference) and a Quarterly Discharge Form, FD-322, (Appendix F, incorporated herein by reference) on each recipient who attends medical day care for five or more days during the quarter;] **Maintenance of a daily attendance record that includes the printed name and the arrival and departure times of each beneficiary attending on that day, signed by each adult beneficiary in acknowledgement of the beneficiary having been present for the time indicated, and submission to the Department of a monthly roster, using the form posted at www.state.nj.us/health, of all beneficiaries who attended at least one day that month;**

i. If an adult beneficiary is unable to sign the daily attendance record, the administrator of the facility or his or her designee shall attest in writing to the accuracy of the indicated arrival and departure times of the beneficiary, and the signed attestation shall be included as part of the daily attendance record maintained by the facility; and

4. Preparation of a **complete financial statement and a** cost [study] **report**, annually detailing expenditures of the [medical day care center. Medical day care center] **adult or pediatric day health services facility. Adult or pediatric day health services facility** costs shall be segregated from other operational costs. ([Division] **Department** reimbursement rates may be based on cost [study] **report** information or on a percentage of nursing facility per diem rates.) **Cost reports shall be signed by the administrator or an officer of the facility. Cost reports shall include a statement that adult or pediatric day health services costs have been verified as to type and amount. Financial statements shall be signed by a certified public accountant(s) licensed in accordance with N.J.A.C. 13:29. Financial statements shall**

include a statement that the financial statement has been prepared in accordance with generally accepted accounting principles and that all adult or pediatric day health services costs have been verified as to type and amount.

i. [All direct and indirect costs associated with hospital affiliated medical day care centers shall be reported separately by the hospital on New Jersey State Department of Health and Senior Services cost findings for payment purposes and shall not be considered an allowable cost under the Diagnosis Related Group (DRG) program.] **Cost reports and financial statements shall be maintained at the facility and shall be available for review by, or submission to, the Department upon request.**

(b) The [Division] **Department** shall conduct an ongoing evaluation of the [center's Day Care Program] **facility's day care program** by on-site visits to the [medical day care center. A Medical Day Care On-Site Report MCNH-89 (Appendix D, incorporated herein by reference) shall be completed by Division staff and a copy shall be forwarded to the center.] **adult or pediatric day health services facility. The Department shall inform the adult or pediatric day health services facility, in writing, of the results of the on-site evaluation.**

(c) [Division] **Department** staff may request a plan of correction if the [center] **facility** is evaluated as providing [sub-standard] **substandard** services and/or inadequate documentation of these services **or otherwise violates any applicable regulations**. The plan of correction shall address deficiencies noted by [Division] **Department** staff, and shall be submitted to the [Division] **Department** by the [center] **facility** by the requested date.

1. If a follow-up on-site visit reveals that the plan of correction is not being implemented, [a ban on new admissions to the center or other such actions as the Division deems necessary may be considered. For example, prior authorization of services may be imposed. Continued non-compliance with the Division's standards] **the Department shall take enforcement actions in accordance with N.J.A.C. 8:43E, General Licensure Procedures and Enforcement of Licensure Regulations.**

(d) Non-compliance with the Department's rules at N.J.A.C. 8:43F or N.J.A.C. 8:86 may result in [the] **sanctions and remedies being imposed as provided in "The Medicaid Administration Manual" found at N.J.A.C 10:49 or the "All Health Care Facilities Enforcement of Licensure Regulations" found at N.J.A.C 8:43E or any other applicable law or regulation**.

(e) Providers wishing to contest decisions made by the Department pursuant to this section may request a fair hearing pursuant to the procedures set forth below:

1. **If sanctions and remedies have been imposed under the Medicaid Administration Manual, then the adult or pediatric day health services facility must submit a request for a hearing pursuant to the provisions of N.J.A.C. 10:49-10 and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1.**
2. **If sanctions and remedies have been imposed pursuant to N.J.A.C. 8:43F-2.8, then the adult or pediatric day health services facility must submit a request for a hearing pursuant to the provisions of N.J.A.C. 8:43F-2.9, N.J.A.C. 8:43E and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1.**
3. **The provider may request that the matter be settled in lieu of conducting an administrative hearing concerning the contested action. If the Department and the facility agree on the terms of a settlement, a written agreement specifying the terms thereof shall be executed.**

[(d)]**(f)** Caregivers of [medical day care recipients] **beneficiaries or the beneficiaries themselves** may be contacted by [Division] **Department**

staff to determine appropriateness of care and satisfaction with services provided.

(g) The maximum daily census in any pediatric medical day care center shall be 27 children.

8:86-1.4 Required services

(a) Adult beneficiaries served in an adult day health services facility shall receive a minimum of five hours of services per day, excluding transportation time to and from home, not to exceed five days per week.

1. CAP beneficiaries and JACC participants may receive adult day health services as provided in (a) above and as authorized by the case manager.

(b) A child served in a pediatric day health services facility shall receive a minimum of six hours of services per day, excluding transportation time, not to exceed five days per week. In exceptional circumstances, if six hours is contraindicated because of the medical condition of a child, the attending physician, physician

assistant, or advanced practice nurse shall approve less than six hours, but in no case less than three hours attendance, and this shall be documented in the child's medical record and reviewed at least every 60 days.

(c) The facility shall provide transportation for beneficiaries to and from their homes as well as to and from physical therapy, occupational therapy, and speech-language pathology services as needed. No beneficiary's total daily transportation time to and from home shall exceed two hours.

1. The facility shall accommodate the special transportation needs of the beneficiary and medical equipment used by the beneficiary.

8:86-1.5 Clinical eligibility and prior authorization for adult or pediatric day health services

(a) Clinical eligibility for adult day health services shall be contingent upon receipt of prior authorization from the Department on the basis of:

1. **The results of an assessment of the individual using an instrument prescribed by the Department (see (b) below)and the eligibility criteria specified at (g) below. The prescribed assessment instrument is designed to collect standardized information on a broad range of domains critical to caring for individuals in the community, including items related to cognition; communication/hearing; vision; mood and behavior; social functioning; informal support services; physical functioning; continence; disease diagnoses; health conditions; preventive health measures; nutrition/hydration; dental status; skin condition; environment/home safety; service utilization; medications; and socio-demographic/background information; and**

2. **the Department's evaluation and consideration of information received from either the facility Registered professional nurse (RN), the individual and/or the individual's legally authorized representative, personal physician or other healthcare professional who has current and relevant knowledge of the individual, the individual's medical or psychosocial needs and the individual's ADL or cognitive deficits. Such information may be considered by the Department along with the results of the**

assessment performed in (a)(1) above and the eligibility criteria in (g) below as the basis for determining clinical eligibility for adult day health services.

(b) The facility administrator shall certify that the Medicaid eligible individual is eligible to receive services available at the adult day health services facility.

(c) The facility shall retain, as part of each beneficiary's permanent record, the signed acknowledgement of the beneficiary or the beneficiary's legally authorized representative, as appropriate, that a determination of eligibility to receive services is not permanent and that redeterminations will be made on the basis of subsequent assessments.

(d) The eligibility assessment shall be performed by professional staff designated by the Department. Such assessments shall be performed prior to initial provision of services to the individual and at least annually and as necessary when the plan of care required by N.J.A.C. 8:43F-5.4 reflects a change in status that may alter the beneficiary's eligibility to receive adult day health services.

(e) The Department may for reasons of administrative convenience, authorize staff of the facility to perform the eligibility assessment on

the Department's behalf. In the event that the facility is explicitly authorized and agrees to perform eligibility assessments, the following conditions shall be met:

1. The assessment shall be performed by an RN, using the assessment instrument prescribed by the Department, prior to initial provision of services to the individual and at least annually and as necessary when the plan of care required by N.J.A.C. 8:43F-5.4 reflects a change in status that may alter the beneficiary's eligibility to receive adult day health services. Documentation of the assessment and evaluation required by this section shall be included in the individual's medical record;

2. The initial assessment shall entail a visit to the individual's home and shall include assessment of at least the following:

(i) Living arrangements:

(ii) The individual's relationship with his or her family;

(iii) The individual's home environment;

(iv) The existence of environmental barriers, such as stairs, not negotiable by the individual;

(v) Access to transportation, shopping, religious, social, or other resources to meet the needs of the individual; and

(vi) Other home care services received, including documentation of the frequency and amount of each service received;

3. Results of each assessment shall be signed by both a registered professional nurse of the facility and the facility administrator and shall be submitted to: Director, Office of Long Term Care Options, P.O. Box 807, Trenton, NJ 08625-0807; and

4. The facility administrator shall certify whether or not the individual has been determined eligible to receive adult

day health services. The Department shall presume the determination of the facility to be accurate, with the understanding that the Department retains ultimate authority with respect to determinations of eligibility and shall conduct audits of facility determinations of eligibility through on-site visits, which may include review of facility records and interviews with beneficiaries. Any facility found to be in default of the provisions set forth in this section, including, but not limited to, certifications which are intentionally misleading or false, shall be subject to remedies which may be imposed by N.J.A.C. 8:43F-2.8, N.J.A.C. 10:49 or any other applicable provision of law.

5. Departmental authorization for facility staff to perform eligibility assessments shall not preclude the Department from withdrawing such authorization if the facility is found in default as provided in (e)4 above or at such time as the Department , with due notice to the affected facility, decides that the Department will resume performing prior authorization by Department staff.

6. When an individual who was found by the adult day health services facility to be ineligible to receive services believes that the facility's performance of the eligibility assessment prescribed by the Department has resulted in an inequity or erroneous determination, the facility shall submit the completed assessment and documentation identifying the individual's issues, signed by the individual, to the Department for review.

i. A request for review shall be submitted by the facility on behalf of the individual within five business days of notification of ineligibility by the facility to the Long-Term Care Field Office, Department of Health and Senior Services, Division of Aging and Community Services, serving the beneficiary's county of residence.

ii. Appropriate professional staff shall conduct a review of the assessment and supporting documentation. Both the individual and the facility should be prepared to provide such substantiating information as may be required for an informal discussion of the issues.

iii. Department staff shall make a determination to uphold or overturn the facility's assessment and shall notify both the individual and the facility within 15 business days of receipt of the requested documentation.

(f) An individual may be granted an opportunity for a fair hearing if he or she: is not satisfied with either the determination made by professional staff of the Department based on a review of the eligibility assessment performed by the facility, in accordance with (e)6 above, or with a direct determination of ineligibility by professional staff designated by the Department, in accordance with (a)1 above; or if the services provided to the individual in an adult or pediatric day health services facility have been terminated, reduced or suspended.

1. A request for an administrative hearing must be submitted pursuant to the provisions of N.J.A.C. 10:49-10 and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1.

2. A request for an administrative hearing shall be considered timely filed if it is submitted within 20 days:

i. From the date of notification of the Departmental determination based on a review of the facility's assessment; or

ii. From the date of notification of the direct determination of ineligibility by professional staff designated by the Department; or

iii. From the date that the individual receives notice that his or her services in an adult or pediatric day health services facility have been terminated, reduced or suspended.

3. At the administrative hearing, the burden is upon the individual to demonstrate eligibility for adult day health services under the eligibility criteria at (g) below. A copy of this rule may be obtained from: Department of Health and Senior Services, Division of Aging and Community Services, Office of Community Support and AAA Administration, P.O. Box 807, Trenton, New Jersey 08625-0807.

4. The individual may request that the matter be settled in lieu of conducting an administrative hearing concerning the contested action. If the Department and the individual agree on the terms of a settlement, a written agreement specifying the terms thereof shall be executed.

(g) In order to be eligible for adult day health services, an adult shall have been determined eligible for one of the programs specified at N.J.A.C. 8:86-1.1(b), and shall satisfy the following conditions:

1. The individual has received prior authorization from the Department or its designee adult day health services facility in accordance with (a) and (b) above on the basis of having been assessed as satisfying either of the following criteria:

i. The individual requires:

(1) At least limited assistance in at least two of the following ADLs: bathing/dressing, toilet use, transfer, locomotion, bed mobility, and eating,

and the facility will provide all of the assistance for the claimed ADLs on-site in the facility; or

(2) At least one needed skilled service (as defined in N.J.A.C. 8:86-1.2) provided daily by a registered professional nurse or licensed practical nurse, or rehabilitation services provided for a time-limited period in order to attain particular treatment goals identified by the attending physician, physician assistant, or advanced practice nurse. The needed skilled services include, but are not limited to, oxygen need, ostomy care, daily nurse monitoring (for example, medication administration (as defined in N.J.A.C. 8:86-1.2), pacemaker checks, urinary output, unstable blood glucose, unstable blood pressure with physician/ advanced practice nurse intervention), skin treatment of wounds (as defined in N.J.A.C. 8:86-1.2), treatment of stasis ulcers, intravenous or intramuscular injections ,nasogastric or gastrostomy tube feedings and medical nutrition therapy (as defined in N.J.A.C. 8:86-1.2)). Needed

skilled services shall be provided on-site in the facility. The rehabilitation services include physical therapy, occupational therapy, and speech-language pathology services. Rehabilitation services may be provided off-site; or

ii. The individual requires either:

(1) Supervision/cueing in at least three of the following ADLs: bathing/dressing, toilet use, transfer, locomotion, bed mobility, and eating, and the facility will provide all of the supervision/cueing for the claimed ADLs on-site in the facility; and exhibits problems with short-term memory and with following multitask sequences, and has some difficulty in daily decision-making in new situations or greater level of impairment, as measured by the assessment instrument prescribed by the Department; or

(2) At least one needed skilled service (as defined in N.J.A.C. 8:86-1.2) provided daily by a registered

professional nurse or licensed practical nurse, or rehabilitation services provided for a time-limited period in order to attain particular treatment goals identified by the attending physician, physician assistant, or advanced practice nurse. The needed skilled services include, but are not limited to, oxygen need, ostomy care, daily nurse monitoring (for example, medication administration (as defined in N.J.A.C. 8:86-1.2) ,pacemaker checks, urinary output, unstable blood glucose, unstable blood pressure with physician/ advanced practice nurse intervention), skin treatment of wounds (as defined in N.J.A.C. 8:86-1.2), treatment of stasis ulcers, intravenous or intramuscular injections ,nasogastric or gastrostomy tube feedings and medical nutrition therapy (as defined in N.J.A.C. 8:86-1.2)). Needed skilled services shall be provided on-site in the facility. The rehabilitation services include physical therapy, occupational therapy, and speech-language pathology services. Rehabilitation services may be provided off-site.

(h). If the individual satisfies (h)1 through 3 below, then such individual shall be ineligible to receive adult day health services.

(1) If admission of the individual to adult day health services would result in the individual receiving duplicative or substantially identical services as those provided by any other Medicaid funded service that the individual has chosen, then the individual shall not be eligible for adult day health services. Ambulatory care settings include, but are not limited to, the home, personal care attendant services, a physician's office, a hospital outpatient department, a partial care/ partial hospitalization program, and an adult day training program.

(2) Residents of a residential health care facility shall be ineligible for adult day health services.

(3) An adult who requires and who is receiving care 24 hours per day on an inpatient basis in a hospital or nursing home shall be ineligible for adult day health services.

(i) In order to be eligible for services in an HIV adult day health services facility, an individual shall be at least 18 years of age with HIV infection, eligible for adult day health services in accordance with N.J.A.C. 8:86-1.1(b), and require outpatient drug abuse treatment.

(j) In order to be eligible for pediatric day health services, a child shall be from birth through five years of age, shall be a Medicaid beneficiary, and shall satisfy the following:

1. The child shall require continuous nursing services available only in a pediatric day health services facility and shall meet either of the following criteria:

i. Be technology dependent, requiring life-sustaining equipment or interventions, including a tracheotomy, ventilator, central venous pressure (CVP) line, hyperalimentation gastrostomy tube or a nasogastric tube; or

ii. Be medically unstable requiring ongoing treatment administered by a licensed registered professional nurse (RN) or licensed practical nurse (LPN), such as

nebulizer treatments, administration of oxygen, apnea/cardiac monitoring, or intermittent urinary catheterization, to maintain health or requiring ongoing monitoring and assessment by an RN because of such care needs as seizure disorders or cardiac conditions.

(k) The Department may, at its discretion, require prior authorization of eligible Medicaid beneficiaries by professional staff designated by the Department prior to the provision of services in a new or existing pediatric day health services facility. When applied, prior authorization shall be based upon the eligibility criteria specified at (j) above. The facility administrator shall certify, in writing, that the Medicaid eligible individual is eligible to receive services available at the pediatric day health services facility.

8:86-[1.8] **1.6** Basis of payment

(a) The [center] **facility** providing [Medical Day Care] **adult or pediatric day health** services shall agree to accept the reimbursement rates established by the [Division] **Department** as the total reimbursement for services provided to [the] **eligible** Medicaid [recipient] **beneficiaries** and to [the beneficiary] **eligible beneficiaries** enrolled in the Home Care Expansion

Program (HCEP) **or in the Jersey Assistance for Community Caregiving Program (JACC)**. In a nursing facility based program, the [medical day care] **adult or pediatric day health services** per diem rate is 45 percent of that nursing facility's per diem rate. In freestanding [centers] **facilities**, the [medical day care] **adult or pediatric day health services** per diem rate is based on an average of the rates paid to nursing facility [medical day care] **adult or pediatric day health services** providers [or on a percentage of nursing facility rates] in effect as of [January 1 and] July 1 each year. For hospital-affiliated [centers] **facilities**, the [medical day care] **adult or pediatric day health services** rate is a negotiated per diem rate which shall not exceed the maximum [medical day care] **adult or pediatric day health services** per diem rate paid to nursing facility-based providers. The reimbursement rate[s] set for any Medicaid [recipient] **beneficiary** or [an] **any JACC or** HCEP [beneficiary] **participant** in [medical day care centers] **an adult or pediatric day health services facility** shall not exceed [charges for non-Medicaid participants] **the rate charged by the facility to individuals who are not enrolled in the Medicaid, JACC, or HCEP programs.** The per diem reimbursement shall cover the cost of all services [listed in N.J.A.C. 8:86-1.4 with the following exception] **required as a condition of licensure at N.J.A.C. 8:43F, except as noted below**:

1. Physical therapy, occupational therapy and speech-language pathology services shall not be included in the per diem rate reimbursed for [medical day care] **adult or pediatric day health** services. These therapies **,** when provided by the [medical day care center] **facility**, shall be billed separately on the Health Insurance Claim Form, [HCFA] **CMS**-1500 **(Appendix D, incorporated herein by reference), or third party insurance form, as applicable. The CMS-1500 can also be found at cms.hhs.gov/forms.**

2. It is only in the role of attending physician that the medical consultant may bill the New Jersey Medicaid Program on the Health Insurance Claim Form, CMS–1500, for services provided to a Medicaid beneficiary. The medical consultant shall not bill the New Jersey Medicaid Program separately for any service performed for any Medicaid beneficiary in an adult or pediatric day health services facility while serving solely in his or her capacity as medical consultant.

(b) The cost of transportation services provided by the facility shall be included in the per diem reimbursement rate for adult or pediatric

day health services. Transportation shall not be reimbursed as a separate service by the Department.

(c) Physician services for Community Care Program for the Elderly and Disabled beneficiaries or Home Care Expansion Program or Jersey Assistance for Community Caregiving Program participants shall not be reimbursed by those programs.

[(b)] **(d)** The [Division] **Department** shall not reimburse for [medical day care services and] **adult day health services when** partial care/partial hospitalization program services **are** provided to a [recipient] **beneficiary** on the same day.

[(c)] **(e)** For Medicare [/Medicaid] coverage, the only services that are considered for payment under Medicare are physical therapy and speech-language pathology services since [medical day care service] **adult day health services** is not a covered Medicare service. When the [medical day care recipient] **beneficiary** is covered under [both programs] **Medicare**, only the Medicare Form UB-92/ [HCFA] **CMS** -1450 shall be completed **for physical therapy and speech-language pathology services** showing the [Health Services Program Case and Person Number] **Eligibility Identification Number**.

[(d)] **(f)** For third party liability, some insurance companies currently offer [medical day care] **adult or pediatric day health services** as a benefit. The [center] **facility** shall review the [recipient's] **beneficiary's** and family's insurance plans before submitting [Medicaid] claims to assure that insurance companies are billed before submitting to the [Fiscal Agent] **fiscal agent**.

(g) Facility staff shall verify that the beneficiary has valid coverage as of the time that services are provided.

1. For Medicaid beneficiaries and HCEP participants, coverage shall be verified through the Recipient Eligibility Verification System and by inspection of the Medicaid eligibility identification card.

2. For CAP beneficiaries, coverage shall be verified through the Recipient Eligibility Verification System and by inspection of a valid Individual Service Agreement.

3. For JACC participants, coverage shall be verified through inspection of a valid Individual Service Agreement.

SUBCHAPTER 2. [HCPCS] **BILLING** CODES

8:86- 2.1 Introduction

(a) The New Jersey Medicaid Program adopted the [Health Care Financing Administration's (HCFA)] **Centers for Medicare and Medicaid Services (CMS)** Common Procedure Coding System (HCPCS). The HCPCS codes as listed in this subchapter are relevant to certain Medicaid and HCEP [medical day care] **adult or pediatric day health** services. **A separate billing code is used by the fiscal agent for the JACC program.**

(b) These codes shall be used when requesting reimbursement for certain [Medical Day Care Services] **adult or pediatric day health services**.

8:86-2.2 [HCPCS] **Billing** Codes

(a) HCPCS Codes for [medical day care] **adult or pediatric day health** services are as follows:

HCPCS

Code	Description
Z0300	Initial visit, speech-language pathology services
Z0310	Initial comprehensive speech-language pathology evaluation
Z0270	Initial visit, physical therapy
92507	Speech-language pathology services
97799	Physical therapy
W9002	[Medical day care] **Adult day health services** visit
Z1860	[Medical day care] **Adult day health services** visit for the AIDS Community Care Alternatives Program (ACCAP)
Z1863	[Medical day care] **Pediatric day health services** visit for technology dependent children
Z1864	[Medical day care] **Pediatric day health services** visit for medically unstable children

(b) The billing code for services provided to JACC participants is as follows:

J9002	**Adult day health services visit for JACC participants.**

[(b)]**(c)** Fees for [medical day care centers] **adult or pediatric day health services facilities** are pre-approved by the [Division] **Department**, based on the reimbursement methodology described in N.J.A.C. 8:86-[1.8] **1.6**,

with each center's fees established in accordance with the setting in which the medical day care program is operated.

APPENDIX [H] **E**

FISCAL AGENT BILLING SUPPLEMENT

AGENCY NOTE: The Fiscal Agent Billing Supplement is appended as a part of this chapter/manual but is not reproduced in the New Jersey Administrative Code. When revisions are made to the Fiscal Agent Billing Supplement, replacement pages will be distributed to providers and copies will be filed with the Office of Administrative Law. For a copy of the Fiscal Agent Billing Supplement, write to:

Unisys Corporation
[CN-] **PO Box** 4801
Trenton, NJ 08650-4801

or contact:

Office of Administrative Law
Quakerbridge Plaza, Building 9

[CN] **PO Box** 049

Trenton, NJ 08625-0049